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NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

Producers 88 (4-89) --- Paid Up With 640 Acres Pooling Provision

PAID UP OIL AND GAS LEASE (No Surface Use)

day of March, 2008, by and between Jesus Gabriel Mata and Teresa De Jesus Mata

3026 Mesa Ridge Tr., Grand Prairie, Texas 75052

And CHESAPEAKE EXPLORATION L.L.C., whose address is P.O. Box 18496, Oklahoma City, Oklahoma 73154-0496, as Lessee. All printed portions of this lease were prepared by the party hereinabove named as Lessee, but all other provisions (including the completion of blank spaces) were prepared jointly by Lessor and Lessee.

1. In consideration of a cash bonus in hand paid and the covenants herein contained, Lessor hereby grants, leases and lets exclusively to Lessee the following described

land, hereinafter called leased premises:

.148 acres of land, more or less, being <u>BLK 1 LT 25</u> out of the <u>Kirby Creek Village Sec 3</u>, an Addition to the City of Grand Prairie, Texas, being more particularly described by metes and bounds in that certain <u>General Warranty Deed With Vendor's Lien</u> recorded in <u>June 2, 2000</u>, Volume 2000109. Page 2915, of the Deed Records, of Dallas County, Texas.

in the county of DALLAS, State of TEXAS, containing 0.148 gross acres, more or less (including any interests therein which Lessor may here. in the county of DALLAS, State of TEXAS, containing 0.148 gross acres, more or less (including any interests therein which Lessor may hereafter acquire by reversion, prescription or otherwise), for the purpose of exploring for, developing, producing and marketing oil and gas, along with all hydrocarbon and non hydrocarbon substances produced in association therewith (including geophysical/seismic operations). The term "gas" as used herein includes helium, carbon dioxide and other commercial gases, as well as hydrocarbon gases. In addition to the above-described leased premises, this lease also covers accretions and any small strips or parcels of land now or hereafter owned by Lessor which are contiguous or adjacent to the above-described leased premises, and, in consideration of the aforementioned cash bonus, Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the land so covered. For the purpose of determining the amount of any shut-in royalties hereunder, the number of gross acres above specified shall be deemed correct, whether actually more or less.

2. This lease, which is a "paid-up" lease requiring no rentals, shall be in force for a primary term of five (5) years from the date hereof, and for as long thereafter as oil or gas or other substances covered hereby are produced in paying quantities from the leased premises or from lands pooled therewith or this lease is otherwise maintained in effect nursuant to the provisions hereof.

- effect pursuant to the provisions hereof.
- effect pursuant to the provisions hereof.

 3. Royalties on oil, gas and other substances produced and saved hereunder shall be paid by Lessee to Lessor as follows: (a) For oil and other liquid hydrocarbons separated at Lessee's separator facilities, the royalty shall be 20% of such production, to be delivered at Lessee's option to Lessor at the wellhead or to Lessor's credit at the same field (or if there is no such price then prevailing in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) for production of similar grade and gravity; (b) for gas (including casinghead gas) and all other substances covered hereby, the royalty shall be 20% of the proceeds realized by Lessee from the sale thereof, less a proportionate part of ad valorem taxes and production, severance, or other excise taxes and the costs incurred by Lessee in delivering, processing or otherwise marketing such gas or other substances, provided that Lessee shall have the continuing right to purchase such production at the prevailing wellhead market price paid for production of similar quality in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a preveiling price) pursuant to comparable purchase contracts entered into no the same or nearest proceding date as the date on which Lessee commences its purchases hereunder; and (c) if at the end of the primary term or any time thereafter one or more wells on the leased premises or lands pooled therewith are capable of producing oil or gas or other substances covered hereby in paying quantities, but such well or wells are either shut-in or production therefrom is not being sold by Lessee, such well or wells are shut-in or production therefrom is not being sold by Lessee, then Lessee shall pay shut-in royalty of one dollar per acre then covered by this lease, such payment to be made to Lessor's credit in the depository designated belo period next following cessation operate to terminate this lease.
- 4. All shut-in royalty payments under this lease shall be paid or tendered to Lessor's credit in at lessor's address above or its successors, which shall be Lessor's depository agent for receiving payments regardless of changes in the ownership of said land. All payments or tenders may be made in currency, or by check or by draft and such payments or tenders to Lessor or to the depository by deposit in the US Mails in a stamped envelope addressed to the depository or to the Lessor at the last address known to Lessee shall constitute proper payment. If the depository should liquidate or be succeeded by another institution, or for any reason fail or refuse to accept
- address known to Lessee shall constitute proper payment. If the depository should liquidate or be succeeded by another institution, or for any reason fail or refuse to accept payment hereunder, Lessoe shall, at Lessee's request, deliver to Lessee a proper recordable instrument naming another institution as depository agent to receive payments.

 5. If Lessee drifts a well which is incapable of producing in paying quantities (hereinafter called "dry hole") on the leased premises or lands pooled therewith, or if all production (whether or not in paying quantities) permanently ceases from any cause, including a revision of unit boundaries pursuant to the provisions of Paragraph 6 or the action of any governmental authority, then in the event this lease is not otherwise being maintained in force it shall nevertheless remain in force if Lessee commences operations for reworking an existing well or for drilling an additional well or for otherwise obtaining or restoring production on the leased premises or lands pooled therewith within 90 days after completion of operations on such dry hole or within 90 days after such ceasation of all production. If at the end of the primary term, or at any time thereafter, this lease is not otherwise being maintained in force but Lessee is then engaged in drifting, reworking or any other operations reasonably calculated to obtain or restore production therefrom, this lease shall remain in force so long as any one or more of such operations are prosecuted with no cessation of more than 90 consecutive days, and if any such operations result in the production of oil or gas or other substances covered hereby, as long thereafter as there is production in paying quantities on the leased premises or lands pooled therewith. After completion of a well capable of producing in paying quantities hereinally wells on the leased premises or lands pooled therewith as a reasonably prudent operator would drill under the same or similar circumstances to (a) develop the leased premises from uncompensate
- drainage by any well or wells located on other lands not pooled therewith. There shall be no covenant to drill exploratory wells or any additional wells except as expressly provided herein.

 6. Lessee shall have the right but not the obligation to pool all or any part of the tessed premises or interest therein with any other lands or interests, as to any or all depths or zones, and as to any or all substances covered by this lessee, either before or allar the convenament of production, whenever Lessee deams it necessary or proper to do so in order to prudently develop or operate the lesseed premises, whether or similar pooling authority exists with respect to such other lands or interests. The unit formed by such pooling for an oil well which is not a horizontal completion shall not exceed 840 acres plus a maximum acreage tolerance of 10%, provided that a larger unit may be formed for an oil well or a horizontal completion to conform to any well specing or density pattern that may be prescribed, provided that a larger unit may be formed for an oil well or or gas well or a horizontal completion to conform to any well specing or density pattern that may be prescribed, provided that a larger unit may be formed for an oil well or or gas well or a horizontal completion to conform to any well specing or density pattern that may be prescribed, of permitted by applicable law or the appropriate governmental authority, or, if no definition is an or prescribed, oil well means a well with an initial gae-oil ratio of less than 100,000 cubic feet or more per barrel, based on 24-hour production test conducted under normal production using standard base separator facilities or equivalent testing equipment; and the term "horizontal completion" means an oil well in which the horizontal component of the gross completion infanced in facilities or equivalent testing equipment; and the term "horizontal completion" means an oil well in which the horizontal consponent of the gross completion infanced in the unit production which the n

7. If Lessor owns less than the full mineral essate in an or any part or the lessed premises or lands pooled therewith shall be reduced to the proportion that Lessor's interest in such part of the lessed premises beers to the full mineral essate in such part of the lessed premises.

8. The interest of either Lessor or Lesses hereunder may be sesigned, devised or otherwise transferred in whole or in part, by area and/or by depth or zone, and the rights and obligations of the parties hereunder shall extend to their respective heirs, devises, successors, successors and assigns. No change in Lesson's ownership shall have the effect of reducing the rights or enlarging the obligations of Lessoe hereunder, and no change in commission the binding on Lessoe until 60 days after Lessoe has been furnished the original or certified or duly authenticated copies of the documents establishing such change of commission to the satisfaction of Lessoe or until Lessor has satisfied the notification requirements, contained in Lessoe's usual form of division order. In the event of the depth of any person entitled to shut-in reyellies hereunder, Lessee may pay or tender such shut-in reyellies to the credit of decedent or decedent's estate in the depository designated above. If at any time two or more

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persons are entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to such persons or to their credit in the depository, either jointly or persons are entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to such persons or to their credit in the depository, either jointly or separately in proportion to the interest which each owns. If Lessee transfers its interest hereunder in whole or in part Lessee shall be relieved of all obligations thereafter arising with respect to the transferred interest, and failure of the transferree to satisfy such obligations with respect to the transferred interest shall not affect the rights of Lessee with respect to any interest not so transferred. If Lessee transfers a full or undivided interest in all or any portion of the area covered by this lease, the obligation to pay or tender shut-in royalties hereunder shall be divided between Lessee and the transferee in proportion to the net acreage interest in this lease then held by each.

9. Lessee may, at any time and from time to time, deliver to Lessor or file of record a written release of this lease as to a full or undivided Interest in all or any portion of the area covered by this lease or any depths or zones thereunder, and shall thereupon be relieved of all obligations thereafter arising with respect to the interest so released. If Lessee releases all or an undivided interest in less than all of the area covered hereby, Lessee's obligation to pay or tender shut-in royalties shall be proportionately reduced in economic property interest retained hereunder.

If Lessee releases all or an undivided interest in less than all of the area covered hereby, Lessee's obligation to pay or tender shut-in royalties shall be proportionately reduced in accordance with the net acreage interest retained hereunder.

10. In exploring for, developing, producing and marketing oil, gas and other substances covered hereby on the leased premises or lands pooled or unitized herewith, in primary and/or enhanced recovery, Lessee shall have the right of ingress and egress along with the right to conduct such operations on the leased premises as may be reasonably necessary for such purposes, including but not limited to geophysical operations, the drilling of wells, and the construction and use of roads, canals, pipelines, tanks, water wells, disposal wells, injection wells, pits, electric and telephone lines, power stations, and other facilities deemed necessary by Lessee to discover, produce, store, treat and/or transport production. Lessee may use in such operations, free of cost, any oil, gas, water and/or other substances produced on the leased premises, except water from Lessor's wells or ponds. In exploring, developing, producing or marketing from the leased premises or lands pooled therewith, the ancillary rights granted herein shall apply (a) to the entire leased premises described in Paragraph 1 above, notwithstanding any partial release or other partial termination of this lease; and (b) to any other lands in which Lessor now or hereafter has authority to grant such rights in the vicinity of the leased premises or lands pooled therewith. When requested by Lessor in writing, Lessee shall bury its pipelines below ordinary plow depth on cultivated lands. No well shall be located less than 200 feet from any house or barn now on the leased other rands in which Lessor now or hereatter has authority to grant such rights in the vicinity or the leased premises or lands pooled therewith. When requested by Lessor in writing, Lessee shall bury its pipelines below ordinary plow depth on cultivated lands. No well shall be located less than 200 feet from any house or barn now on the leased premises or other lands used by Lessee hereunder, without Lessor's consent, and Lessee shall pay for damage caused by its operations to buildings and other improvements now on the leased premises or such other lands, and to commercial timber and growing crops thereon. Lessee shall have the right at any time to remove its fixtures, equipment and materials, including well casing, from the leased premises or such other lands during the term of this lease or within a reasonable time thereafter.

11. Lessee's obligations under this lease, whether express or implied, shall be subject to all applicable laws, rules, regulations and orders of any governmental authority.

- having jurisdiction including restrictions on the drilling and production of wells, and the price of oil, gas, and other substances covered hereby. When drilling, reworking, production or other operations are prevented or delayed by such laws, rules, regulations or orders, or by inability to obtain necessary permits, equipment, services, material, production or other operations are prevented or delayed by such laws, rules, regulations or orders, or by inability to obtain necessary permits, equipment, services, material, water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, warr, sabotage, rebellion, insurrection, not, strike or labor disputes, or by inability to obtain a satisfactory market for production or failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's control, this lease shall not terminate because of such prevention or delay, and at Lessee's option, the period of such prevention or delay shall be added to the term hereof. Lessee shall not be liable for breach of any express or implied covenants of this lease when drilling, production or other operations are so prevented, delayed or interrupted.

 12. In the event that Lessor, during the primary term of this lease, receives a bona fide offer which Lessor is willing to accept from any party offering to purchase from Lessor a lease covering any or all of the substances covered by this lease and covering all or a portion of the land described herein, with the lease becoming effective upon expiration of this lease, Lessor hereby agrees to notify Lessee in writing of said offer immediately, including in the notice the name and address of the offer. Lessee, for a perfect of the notice, shall have the prior and preferred right and option to purchase the lease or part thereof or interest the receipt of the notice in the terms and conditions of the offer.

- and all other pertinent terms and conditions of the offer. Lessee, for a period of fifteen days after receipt of the notice, shall have the prior and preferred right and option to purchase the lease or part thereof or interest therein, covered by the offer at the price and according to the terms and conditions specified in the offer.

 13. No litigation shall be initiated by Lessor with respect to any breach or default by Lessee hereunder, for a period of at least 90 days after Lessor has given Lessee written notice fully describing the breach or default, and then only if Lessee fails to remedy the breach or default, within such period. In the event the matter is litigated and there is a final judicial determination that a breach or default has occurred, this lease shall not be forfeited or canceled in whole or in part unless Lessee is given a reasonable time after said judicial determination to remedy the breach or default and Lessee fails to do so.

 14. For the same consideration recited above, Lessor hereby grants, assigns and conveys unto Lessee, its successors and assigns, a perpetual subsurface easement under and through the leased premises for the placement of well bores (along routes selected by Lessee) from oil or gas wells the surface locations of which are situated on other tracts of land and which are not intended to develop the leased premises or lands pooled therewith and from which Lessor shall have no right to royalty or other benefit. Such subsurface easements shall run with the land and survive any termination of this lease.

 15. Lessor hereby warrants and agrees to defend title conveyed to Lessee hereunder, and agrees that Lessee at Lessee's option may pay and discharge any taxes, mortgages or liens existing, levied or assessed on or against the leased premises. If Lessee excrises such option, Lessee shall be subrogated to the rights of the party to whom payment is made, and, in addition to its other rights, may reimburse itself out of any royalties or therein.
- morgages or lens existing, levied or assessed on or against the leased premises. If Lessee exercises such option, Lessee shall be subrogated to the hights of the party to whom payment is made, and, in addition to its other rights, may reimburse itself out of any royalties or shut-in royalties otherwise payable to Lessor hereunder. In the event Lessee is made aware of any claim inconsistent with Lessor's title, Lessee may suspend the payment of royalties and shut-in royalties hereunder, without interest, until Lessee has been furnished satisfactory evidence that such claim has been resolved.

 16. Notwithstanding anything contained to the contrary in this lease, Lessee shall not have any rights to use the surface of the leased premises for drilling or other

IN WITNESS WHEREOF, this lease is executed to be effi- heirs, devisees, executors, administrators, successors and ass			
LESSOR (WHETHER ONE OR MORE)	agina, minuten ta ilut una toata inab bogil que	pouted by an parties referrables	minou as Lossui.
Jesus Gabriel Mata			
See.		Record & Re	furn to:
Teresa De Jesus Mata			Operating, Inc.
STATE OF TEXAS COUNTY OF	ACKNOWLEDGMENT		ty, OK 73154
This instrument was acknowledged before me on the	day of March, 2006, by: Jesus Ga	briel Mata and Teresa De Jesu:	s Mata
STATE OF TEXAS COUNTY OF	Public Notary Public, Notary's name Notary's comments. ST-01-2000 ACRNOWLEDGMENT	State of Texas (printed): nission expires:	oy m
This instrument was acknowledged before mo	Notary Public, Notary's name	State of Texas	
STATE OF TEXAS COUNTY OF	CORPORATE ACKNOWLEDGMEN		
This instrument was acknowledged before me	e on the day of corporation, on behalf of said corporation.	, 20, by	of
	Notary's name	State of Texas (printed): nission expires:	
STATE OF TEXAS County of	RECORDING INFORMATION		
This instrument was filed for record on the	day of, 20	, alo'clo	ckM., and duly recorded in
Book, Page, of the	records of this office.		
Ву	· · · · · · · · · · · · · · · · · · ·	Clerk (or Deputy)	